

House Study Bill 778

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
PUBLIC SAFETY BILL BY
CHAIRPERSON LYKAM)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act concerning penalties for sale of alcohol to minors by
2 alcohol beverage licensees and permittees and providing for an
3 alcohol compliance employee training program.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6568HC 82
6 ec/rj/14

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1 1 Section 1. Section 123.50, subsection 3, paragraph b, Code
1 2 Supplement 2007, is amended to read as follows:
1 3 b. A second violation within two years shall subject the
1 4 licensee or permittee to either a thirty-day suspension ~~and or~~
1 5 a civil penalty in the amount of one thousand five hundred
1 6 dollars. The licensee or permittee may select the penalty to
1 7 be applied under this paragraph.

1 8 Sec. 2. Section 123.50, subsection 3, paragraph c, Code
1 9 Supplement 2007, is amended to read as follows:
1 10 c. A third violation within three years shall subject the
1 11 licensee or permittee to a ~~sixty-day~~ thirty-day suspension and
1 12 a civil penalty in the amount of one thousand five hundred
1 13 dollars.

1 14 Sec. 3. Section 123.50, subsection 3, Code Supplement
1 15 2007, is amended by adding the following new paragraph:
1 16 NEW PARAGRAPH. cc. A fourth violation within three years
1 17 shall subject the licensee or permittee to a sixty-day
1 18 suspension and a civil penalty in the amount of one thousand
1 19 five hundred dollars.

1 20 Sec. 4. Section 123.50, subsection 3, paragraph d, Code
1 21 Supplement 2007, is amended to read as follows:
1 22 d. A ~~fourth~~ fifth violation within ~~three~~ four years shall
1 23 result in revocation of the license or permit.

1 24 Sec. 5. Section 123.50, Code Supplement 2007, is amended
1 25 by adding the following new subsection:

1 26 NEW SUBSECTION. 5. If an employee of a licensee or
1 27 permittee violates section 123.49, subsection 2, paragraph
1 28 "h", the licensee or permittee shall not be assessed a penalty
1 29 under subsection 3, and the violation shall be deemed not to
1 30 be a violation of section 123.49, subsection 2, paragraph "h",
1 31 for the purpose of determining the number of violations for
1 32 which a penalty may be assessed pursuant to subsection 3, if
1 33 the employee holds a valid certificate of completion of the
1 34 alcohol compliance employee training program pursuant to
1 35 section 123.50A at the time of the violation. A licensee or
2 1 permittee may assert only once in a four-year period the bar
2 2 under this subsection against assessment of a penalty pursuant
2 3 to subsection 3, for a violation of subsection 123.49,
2 4 subsection 2, paragraph "h", that takes place at the same
2 5 place of business location.

2 6 Sec. 6. NEW SECTION. 123.50A ALCOHOL COMPLIANCE EMPLOYEE
2 7 TRAINING PROGRAM.

2 8 1. The division shall develop an alcohol compliance
2 9 employee training program not to exceed two hours in length
2 10 for employees and prospective employees of licensees and
2 11 permittees, to inform the employees about state and federal
2 12 liquor laws and regulations regarding the sale of alcoholic
2 13 liquor, wine, or beer to persons under legal age, and
2 14 compliance with and the importance of laws regarding the sale
2 15 of alcoholic liquor, wine, or beer to persons under legal age.
2 16 2. The alcohol compliance employee training program shall
2 17 be made available to employees and prospective employees of

2 18 licensees and permittees at no cost to the employee, the
2 19 prospective employee, or the licensee or permittee, and in a
2 20 manner which is as convenient and accessible to the extent
2 21 practicable throughout the state so as to encourage
2 22 attendance. Contingent upon the availability of specified
2 23 funds for provision of the program, the division shall
2 24 schedule the program on at least a monthly basis and the
2 25 program shall be available at a location in at least a
2 26 majority of counties.

2 27 3. Upon completion of the alcohol compliance employee
2 28 training program, an employee or prospective employee shall
2 29 receive a certificate of completion, which shall be valid for
2 30 a period of two years, unless the employee or prospective
2 31 employee is convicted of a violation of section 123.49,
2 32 subsection 2, paragraph "h", in which case the certificate
2 33 shall be void.

2 34 4. The division shall also offer periodic continuing
2 35 employee training and recertification for employees who have
3 1 completed initial training and received an initial certificate
3 2 of completion as part of the alcohol compliance employee
3 3 training program.

3 4 EXPLANATION

3 5 This bill concerns penalties applicable to liquor control
3 6 licensees and beer and wine permittees for sales of alcohol to
3 7 minors. The bill also establishes an alcohol compliance
3 8 employee training program.

3 9 The bill modifies the civil penalties applicable to liquor
3 10 control licensees and beer and wine permittees for underage
3 11 sales of alcohol.

3 12 The bill provides that for a second violation within two
3 13 years, the licensee or permittee is subject to either a 30-day
3 14 suspension or a civil penalty in the amount of \$1,500 and
3 15 provides that the licensee or permittee may select the penalty
3 16 to be applied. Current law provides that the penalty is both
3 17 a 30-day suspension and a fine.

3 18 As to a third violation within three years, the bill
3 19 modifies current law by providing that the licensee or
3 20 permittee is subject to a 30-day suspension instead of the
3 21 current 60-day suspension.

3 22 As to a fourth violation within three years, the bill
3 23 provides that the licensee or permittee is subject to a 60-day
3 24 suspension and a civil penalty in the amount of \$1,500.
3 25 Current law provides for revocation of the license or permit.
3 26 However, the bill does provide for revocation of the license
3 27 or permit for a fifth violation within four years.

3 28 The bill also provides that the civil penalties applicable
3 29 to a licensee or permittee for underage sales of alcohol shall
3 30 not apply if the employee of the licensee or permittee who
3 31 sold alcohol to the underage person has a certificate of
3 32 completion from the alcohol compliance employee training
3 33 program established by the bill. A licensee or permittee
3 34 shall only be able to assert this bar to imposition of a
3 35 penalty once in a four-year period.

4 1 The bill requires the alcohol beverages division to
4 2 establish an alcohol compliance employee training program.
4 3 The program shall be of no more than two hours in length and
4 4 shall inform employees about state and federal laws relative
4 5 to sale of alcohol to underage persons. The bill provides
4 6 that the program shall be conducted at no cost and shall be
4 7 held in a manner that is accessible to persons throughout the
4 8 state. The bill provides that a certificate of completion,
4 9 valid for two years, shall be issued to a person who completes
4 10 the program. The bill also provides that the division
4 11 establish programs for recertifying employees and providing
4 12 continuing employee training.

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